

TRADEMARK ASSIGNMENT

Electronic Version v1.1

Stylesheet Version v1.1

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|-----------------------------------|---|----------------------------|-----------------------------|
| SUBMISSION TYPE: | NEW ASSIGNMENT | | |
| NATURE OF CONVEYANCE: | Notice of Grant of Security Interest | | |
| CONVEYING PARTY DATA | | | |
| Name | Formerly | Execution Date | Entity Type |
| Rauch Industries, Inc. | | 04/12/2004 | CORPORATION: NORTH CAROLINA |
| RECEIVING PARTY DATA | | | |
| Name: | PNC Bank, National Association, as Agent | | |
| Street Address: | 2121 San Jacinto | | |
| Internal Address: | Suite 1850 | | |
| City: | Dallas | | |
| State/Country: | TEXAS | | |
| Postal Code: | 75201 | | |
| Entity Type: | national banking association: UNITED STATES | | |
| PROPERTY NUMBERS Total: 38 | | | |
| Property Type | Number | Word Mark | |
| Registration Number: | 2861224 | MONSTER SNOT | |
| Registration Number: | 2611708 | PUMPKIN PORTRAITS | |
| Registration Number: | 2591780 | LANTERNS OF LIBERTY | |
| Registration Number: | 2484623 | EASY CARVE | |
| Registration Number: | 2437613 | ZOJO | |
| Registration Number: | 2430455 | THE THING YA' FLING | |
| Registration Number: | 2310954 | BARE BONES | |
| Registration Number: | 2279335 | BAREBONES | |
| Registration Number: | 2272369 | SCARY CARRIES | |
| Registration Number: | 2213214 | 'POWER' TOOLS FOR PUMPKINS | |
| Registration Number: | 2212466 | OK! | |
| Registration Number: | 2160808 | DURASAW | |
| Registration Number: | 2152583 | OUR KIDS | |

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TRADEMARK
REEL: 003020 FRAME: 0068

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| Registration Number: | 2094288 | HALLOWEEN HARDWARE |
| Registration Number: | 2093958 | THE ORIGINAL PUMPKIN CARVER |
| Registration Number: | 1912503 | PUMPKIN MASTERS |
| Registration Number: | 1879719 | MELON LIGHTS FOR SUMMER NIGHTS! |
| Registration Number: | 1477650 | PUT A NEW FACE ON HALLOWEEN |
| Registration Number: | 1476839 | CARVE-O-LANTERN |
| Registration Number: | 1465923 | CARVE-O-LANTERN |
| Serial Number: | 78485003 | PUMPKIN MASTERS |
| Serial Number: | 78484992 | POWER MASTER |
| Serial Number: | 78469681 | HALLOWEEN TIME |
| Serial Number: | 78446167 | PUMPKIN MASTERS |
| Serial Number: | 78446138 | PUMPKIN MASTERS |
| Serial Number: | 78445703 | PUMPKIN MASTERS |
| Serial Number: | 78445696 | PUMPKIN MASTERS |
| Serial Number: | 78445691 | PUMPKIN MASTERS |
| Serial Number: | 78445507 | PUMPKIN MASTERS |
| Serial Number: | 78445497 | PUMPKIN MASTERS |
| Serial Number: | 78445485 | PUMPKIN MASTERS |
| Serial Number: | 78445469 | PUMPKIN MASTERS |
| Serial Number: | 78387834 | OK! |
| Serial Number: | 78387823 | OUR KIDS |
| Serial Number: | 78382029 | STAR STUDED PUMPKINS |
| Serial Number: | 78361557 | HALLOWEEN HOST |
| Serial Number: | 78289228 | ZIPPY CARVE |
| Serial Number: | 78190432 | LIGHTS ON |

CORRESPONDENCE DATA

Fax Number: (919)416-8339
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
 Phone: 919 286-8028
 Email: PTO_TMconfirmation@mvalaw.com
 Correspondent Name: Moore & Van Allen PLLC
 Address Line 1: 430 Davis Drive
 Address Line 2: Suite 500
 Address Line 4: Morrisville, NORTH CAROLINA 27560

| | |
|--------------------|------------------|
| NAME OF SUBMITTER: | Charles L. Evans |
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Signature:

/Charles L. Evans/

Date:

02/01/2005

Total Attachments: 5

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NOTICE
OF
GRANT OF SECURITY INTEREST
IN
TRADEMARKS

United States Patent and Trademark Office

Gentlemen:

Please be advised that pursuant to the Revolving Credit and Security Agreement dated as of April 12, 2004, as amended (as amended, the "Loan Agreement") by and among the undersigned as borrower (the "Grantor"), the financial institutions parties thereto as the lenders (the "Lenders"), and PNC Bank, National Association, as agent (the "Agent") the undersigned Grantor has granted a continuing security interest in and continuing lien upon, the trademarks and trademark applications shown below to the Agent for the ratable benefit of the Lenders:

TRADEMARKS

| <u>Trademark No.</u> | Description of Trademark <u>Item</u> | Date of <u>Trademark</u> |
|----------------------|---|-----------------------------|
|----------------------|---|-----------------------------|

See attached Schedule A

Trademark Applications

| <u>Trademark Applications No.</u> | Description of Trademark <u>Applied For</u> | Date of Trademark <u>Applications</u> |
|---------------------------------------|--|--|
|---------------------------------------|--|--|

See attached Schedule A

The Grantor and the Agent hereby acknowledge and agree that the security interest in the foregoing trademarks and trademark applications (i) may only be terminated in accordance with the terms of the Loan Agreement and (ii) is not to be construed as an assignment of any trademark or trademark application.

Very truly yours,

RAUCH INDUSTRIES, INC.

By: SR Huff
Name: Steven R. Huff
Title: President & CEO

Acknowledged and Accepted:

PNC BANK, NATIONAL ASSOCIATION, as Agent

By: _____
Name: _____
Title: _____

The Grantor and the Agent hereby acknowledge and agree that the security interest in the foregoing trademarks and trademark applications (i) may only be terminated in accordance with the terms of the Loan Agreement and (ii) is not to be construed as an assignment of any trademark or trademark application.

Very truly yours,

RAUCH INDUSTRIES, INC.

By: _____

Name: _____

Title: _____

Acknowledged and Accepted:

PNC BANK, NATIONAL ASSOCIATION, as Agent

By: Timothy S Culver

Name: TIMOTHY S CULVER

Title: VICE PRESIDENT

**Rauch Industries, Inc.
(North Carolina Corporation)**

U.S. Trademarks

Registered Marks

| Mark | Registration No. | Registration Date |
|--|-------------------------|--------------------------|
| MONSTER SNOT | 2861224 | 7/6/04 |
| PUMPKIN PORTRAITS | 2611708 | 8/27/02 |
| LANTERNS OF LIBERTY | 2591780 | 7/9/02 |
| EASY CARVE | 2484623 | 9/4/01 |
| ZOJO | 2437613 | 3/20/01 |
| THE THING YA' FLING | 2430455 | 2/20/01 |
| BARE BONES (Stylized Letters) | 2310954 | 1/25/00 |
| BAREBONES (Stylized Letters) | 2279335 | 9/21/99 |
| SCARY CARRIES and Design | 2272369 | 8/24/99 |
| 'POWER' TOOLS FOR PUMPKINS | 2213214 | 12/22/98 |
| OK! | 2212466 | 12/22/98 |
| DURASAW | 2160808 | 5/26/98 |
| OUR KIDS | 2152583 | 4/21/98 |
| HALLOWEEN HARDWARE | 2094288 | 9/9/97 |
| THE ORIGINAL PUMPKIN CARVER and Design | 2093958 | 9/9/97 |
| PUMPKIN MASTERS | 1912503 | 8/15/95 |
| MELON LIGHTS FOR SUMMER NIGHTS! | 1879719 | 2/21/95 |
| PUT A NEW FACE ON HALLOWEEN | 1477650 | 2/23/88 |
| CARVE-O-LANTERN | 1476839 | 2/16/88 |
| CARVE-O-LANTERN | 1465923 | 11/17/87 |

Pending Applications

| Mark | Application No. | Filing Date |
|---------------------------------|------------------------|--------------------|
| PUMPKIN MASTERS (Block Letters) | 78485003 | 9/16/04 |
| POWER MASTER (Block Letters) | 78484992 | 9/16/04 |
| HALLOWEEN TIME (Block Letters) | 78469681 | 8/18/04 |
| PUMPKIN MASTERS (Block Letters) | 78446167 | 7/6/04 |
| PUMPKIN MASTERS (Block Letters) | 78446138 | 7/6/04 |
| PUMPKIN MASTERS (Block Letters) | 78445703 | 7/2/04 |

| Mark | Application No. | Filing Date |
|---------------------------------------|-----------------|-------------|
| PUMPKIN MASTERS (Block Letter) | 78445696 | 7/2/04 |
| PUMPKIN MASTERS (Block Letters) | 78445691 | 7/2/04 |
| PUMPKIN MASTERS (Block Letters) | 78445507 | 7/2/04 |
| PUMPKIN MASTERS (Block Letters) | 78445497 | 7/2/04 |
| PUMPKIN MASTERS (Block Letters) | 78445485 | 7/2/04 |
| PUMPKIN MASTERS (Block Letters) | 78445469 | 7/2/04 |
| OK! (Block Letters) | 78387834 | 3/19/04 |
| OUR KIDS (Block Letters) | 78387823 | 3/19/04 |
| STAR STUDDER PUMPKINS (Block Letters) | 78382029 | 3/10/04 |
| HALLOWEEN HOST (Block Letters) | 78361557 | 2/3/04 |
| ZIPPY CARVE | 78289228 | 8/19/03 |
| LIGHTS ON | 78190432 | 12/2/02 |